



1. PURPOSE

The purpose of this document is to provide the SPAWAR claimancy policy and procedures for Government Furnished Property (GFP). In accordance with Department of Defense (DoD) and Department of the Navy (DoN) regulations, this document will provide guidance for SPAWAR to maintain auditable business processes for GFP throughout the relevant contracting and program management lifecycle events.

Related guidance is available under CMPG section [Special Topics > Clauses > GFP](#).

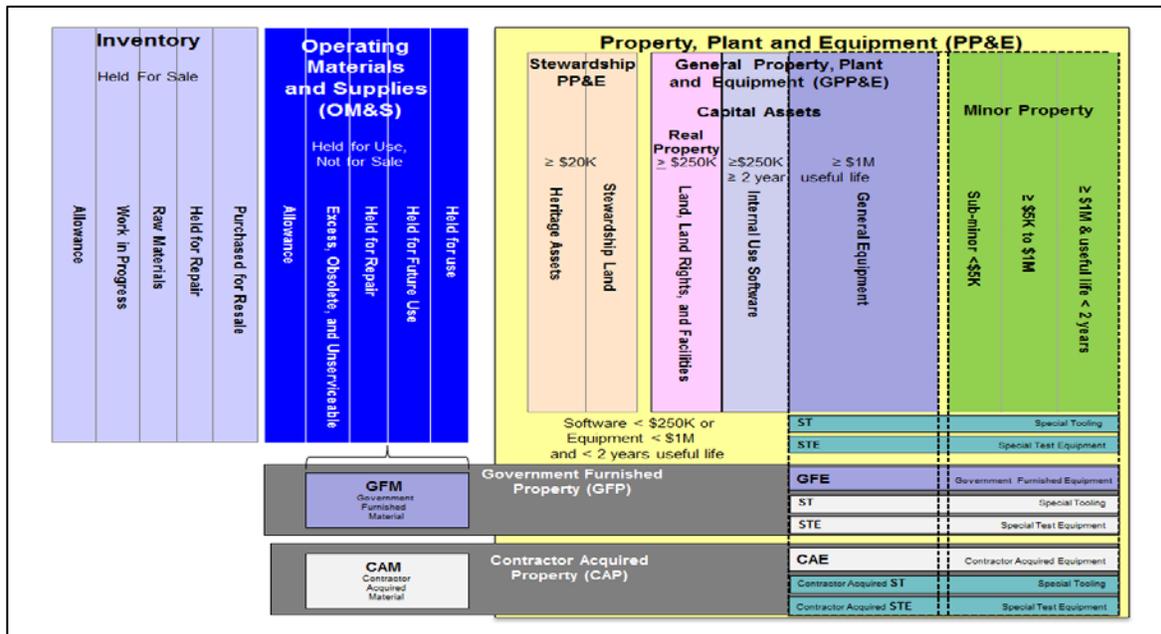
2. POLICY

2.1 FAR Definitions

The Federal Acquisition Regulation (FAR), paragraph [45.102](#) states that contractors are ordinarily required to furnish all property necessary to perform Government contracts. Contracting Officers shall provide property to contractors only when the conditions delineated in the [Approvals](#) section below are satisfied.

The Federal Acquisition Regulation (FAR) clause [52.245-1](#) defines GFP as "property in the possession of, or directly acquired by, the government and subsequently furnished to the contractor for performance of a contract. GFP includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Government-furnished property also includes contractor-acquired property if the contractor-acquired property is a deliverable under a cost contract when accepted by the Government for continued use under the contract." GFP consists of two parts: Government Furnished Equipment (GFE) and Government Furnished Material (GFM). GFE is a subset of the larger General Equipment (GE) asset category. GFM is a subset of the larger Operating Materials & Supplies (OM&S) asset category. Figure 1 below provides a graphic for the categories discussed.

Figure 1: Asset Categorization for Government Property



2.2 Clause Compliance

In addition to meeting PGI [245.103-70](#)'s conditions described in [Approvals](#) section, certain contract types are required to include the appropriate Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses. The following



sections will summarize the contract types that require GFP clauses and the list of required and situational GFP clauses.

### 2.2.1. GFP Contract Types

FAR Part [45.107](#) defines the contract types that require FAR clause [52.245-1](#) Government Property to be included in contracts. In accordance with FAR [45.107](#), include FAR clause [52.245-1](#) in:

1. "All cost reimbursement and time-and-material type solicitation and contracts, and labor-hour solicitations when property is expected to be furnished for the labor-hour contracts
2. Fixed-price solicitations and contracts when the Government will provide GFP.
3. Contract Actions or modifications awarded under FAR [Part 12](#) procedures where Government property that exceeds the simplified acquisition threshold, as defined in FAR [2.101](#), is furnished, or where the contractor is directed to acquire property for use under the contract that is titled in the Government."

If a contract belongs to one of the contract types listed in FAR Part [45.107](#) above, then reference the following lists of the required and situational GFP clauses to be included in the contract.

### 2.2.2. GFP Clauses

Per FAR [45.107](#), DFARS [245.107](#), and DFARS [211.274-6](#), when FAR [52.245-1](#), Government Property, is included in a contract, the KO will ensure the following list of required clauses is included:

1. FAR [52.245-9](#): Use and Charges
2. DFARS [252.245-7001](#): Tagging, Labeling and Marking of Government Furnished Property
3. DFARS [252.245-7002](#): Reporting Loss of Government Property
4. DFARS [252.245-7003](#): Contractor Property Management System Administration
5. DFARS [252.245-7004](#): Reporting, Reutilization and Disposal
6. DFARS [252.211-7007](#): Reporting of Government Furnished Property

The following situational clauses are included in the contract based upon applicability:

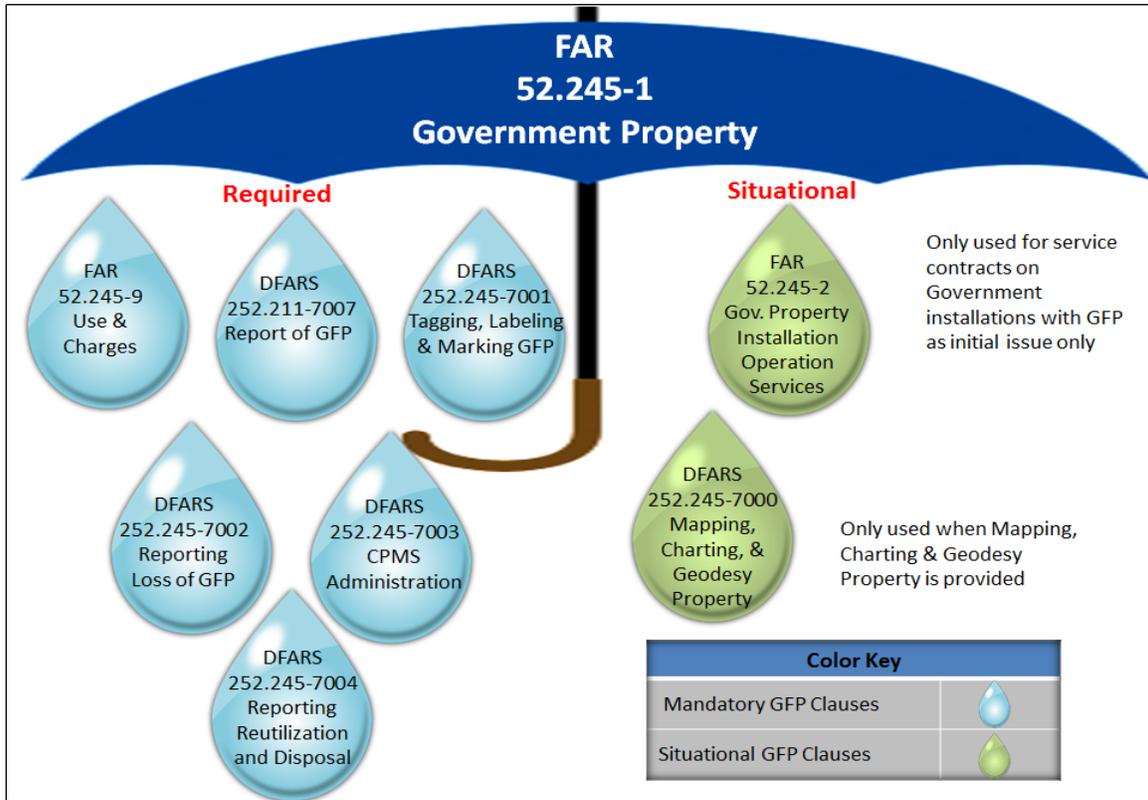
7. FAR [52.245-2](#): Government Property Installation Operation Services
8. DFARS [252.245-7000](#): Mapping, Charting, & Geodesy Property

**Business Rule: In instances where GFP is added under contract modifications, task orders, or delivery orders, the required clauses (and situational clauses if applicable) stated above will be added to the base contract as required.**



Figure 2 below provides a summary of the required and situational GFP clauses.

**Figure 2: GFP FAR & DFARS Clauses**



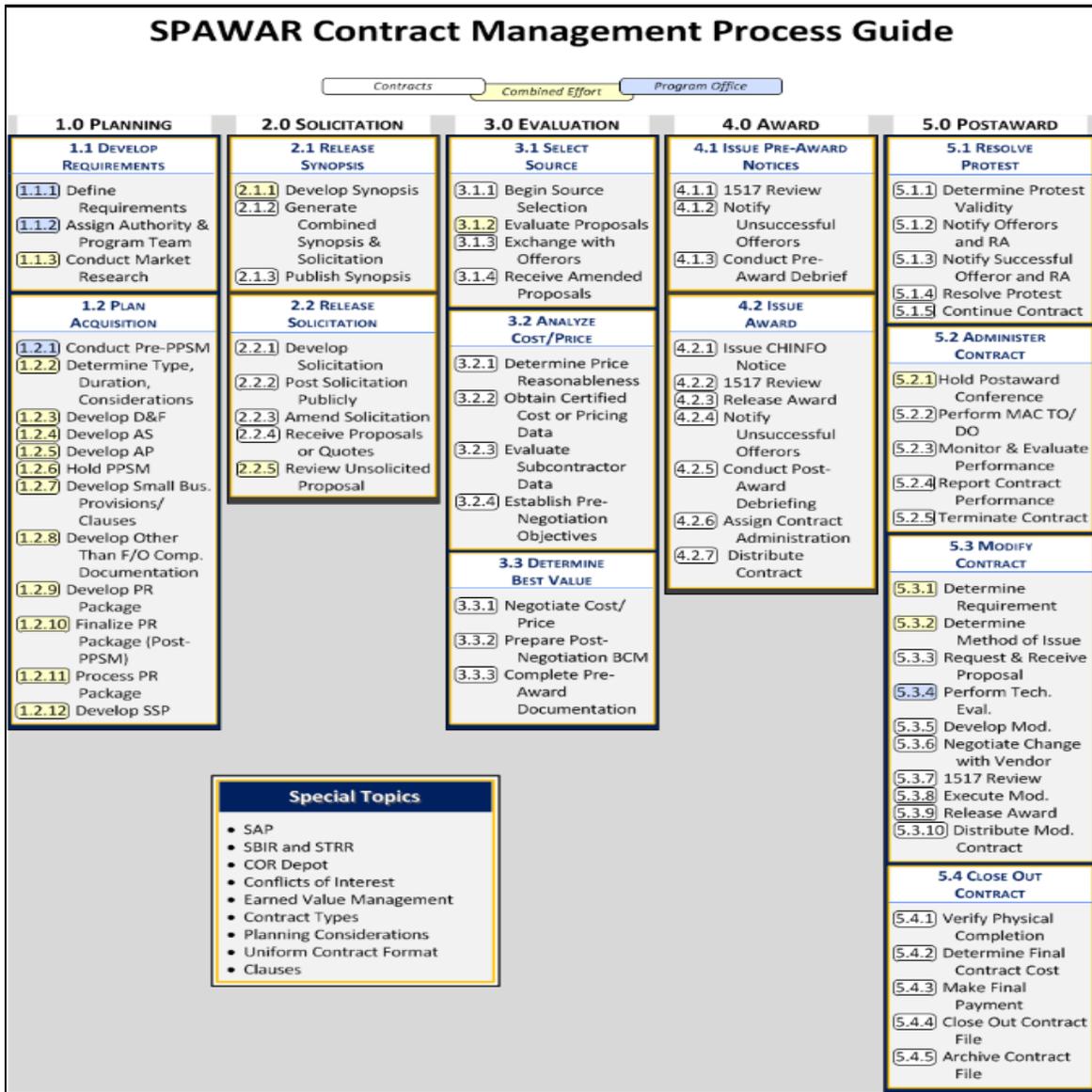
**2.3 DON GFP Compliance Checklist**

To ensure compliance with GFP requirements, the Assistant Secretary of the Navy (Research Development & Acquisition (ASN (RD&A))), Assistant Secretary of the Navy Financial Management & Comptroller (ASN (FM&C)) issued [Joint Memorandum 4340, "Government Furnished Property Compliance with Regulatory Policy Requirements"](#), dated 04 May 2015. Subsequently, the Navy Marine Corps Acquisition Regulation Supplement (NMCARS) [Change 13-07](#) incorporated the requirements of the Joint Memorandum. NMCARS [5245.103-73](#) requires the contracting officer to complete [Annex 9, Government-Furnished Property Compliance Checklist](#), as an attachment to the [Business Clearance Memorandum](#) whenever the use of FAR clause [52.245-1](#) is required. Additionally, SPAWAR HQ 2.0, on behalf of the SPAWAR Head of Contracting Activity (HCA), is required to submit a Quarterly summary of all Claimancy actions where the GFP Compliance Checklist was completed to Deputy Assistant Secretary of the Navy - Acquisition and Procurement (DASN AP) using Annex 4. Figure 3 below shows screenshots of both documents.





Figure 4: CMPG Sections with GFP



### 3. RESPONSIBILITIES

#### 3.1 Roles & Responsibilities

Ensuring compliance with GFP policies and procedures requires partnership between Contracts and Requiring Activity personnel. Each organization is assigned some level of ownership in each CMPG section, summarized in Figure 5 below. Role descriptions for each GFP stakeholder are listed below.



Figure 5: GFP Roles & Responsibilities

GFP Roles & Responsibilities				
Contract Phase	CMPG Section	Contracts	Requiring Activity Representative	APO/OPA
1.0 Planning	1.1.3 Conduct Market Research	A	R	I
	1.2.1 Conduct Pre-PPSM	C	A,R	C
	1.2.4 Develop Acquisition Strategy (AS)	C	A,R	C
	1.2.5 Develop Acquisition Plan (AP)	C	A,R	C
	1.2.6 Hold PPSM	C	A,R	C
2.0 Solicitation	2.2.1 Develop Solicitation	A,R	C	I
	2.2.3 Amend Solicitation	A,R	C	I
3.0 Evaluation	3.1.1 Begin Source Selection	A,R	C	I
4.0 Award	4.2.3 Issue Award	A,R	R	R
5.0 Post Award	5.2.1 Hold Post-Award Conference	A,R	R	R
	5.3.1.1 Modify Contract	A,R	R	R
	5.4.1 Closeout Contract – Verify Physical Completion	A	R	R

RACI Legend	
<b>R – Responsible</b>	Those who do the work to achieve the task. There is at least one role with a participation type that is responsible, although others can be delegated to assist in the work.
<b>A – Accountable</b>	Those ultimately answerable for correct and thorough completion for the deliverable or task, and those who delegate the work to those responsible. There must only be one accountable stakeholder specified for each task or deliverable.
<b>C – Consulted</b>	Those whose opinions are sought, typically Subject Matter Experts (SMEs); and with whom there is two-way communication.
<b>I – Informed</b>	Those who are kept up-to-date on progress, often only on completion of the task or deliverable; and with whom there is just one-way communication.

The role descriptions for all relevant GFP stakeholders are listed in sections [3.1 through 3.1.5](#).

**3.1.1. Contracting Officer (KO)**

**A. Role Description:** Per the FAR:

1. “Contracting officer” means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the contracting officer acting within the limits of their authority as delegated by the contracting officer.’



2. GFP-related roles include the following:
  - i. Including GFP clauses in contracts where required
  - ii. Completing GFP Compliance Checklists and placing in the official contract file
  - iii. Ensuring GFP Attachments accompany Procurement Requests (PR), Solicitations, Contracts, and Contract Modifications where required
  - iv. Assigning GFP management responsibilities to designated Contracting Officer's Representatives (COR)

**3.1.2. Contracting Officer's Representative (COR)**

A. **Role Description:** Per the FAR:

1. "Contracting officer's representative (COR)" means an individual, including a contracting officer's technical representative (COTR), designated and authorized in writing by the contracting officer to perform specific technical or administrative functions, including GFP management.'

**3.1.3. Requiring Activity Representative**

A. **Role Description:** The Requiring Activity Representative partners with the KO to perform the GFP Business Rules. This includes program office, competency and technical code personnel.

**3.1.4. Accountable Property Officer (APO)**

A. **Role Description:** Per guidance from the SPAWAR Property Manual:

1. The APO is designated in writing for all business units. Physical accountability for property resides at the APO level. Commands may designate multiple APOs, as required, based on property classes (GFP, OM&S, and PP&E). The APO is required to designate custodial areas (e.g. at a PEO level, Tech Code level, PMW level, Project level), as well as ensure appointment of Organizational Property Administrators (OPAs). An APO may also perform the duties of an OPA and Custodian.
2. Further guidance regarding the exact responsibilities of an APO can be found in the SPAWAR Property Manual, which is linked in the [Toolbox](#) section at the end of this document.

**3.1.5. Organizational Property Administrator (OPA)**

A. **Role Description:** Per guidance from the SPAWAR Property Manual:

1. The OPA, in conjunction with the Plant Property Group, is responsible for the proper recording and maintenance of asset records under their cost centers and ensures that Property Custodians within their jurisdiction receive proper training to effectively perform personal property management duties and responsibilities.
2. Further guidance regarding the exact responsibilities for an APO can be found in the SPAWAR Property Manual, which is linked in the [Toolbox](#) section at the end of this document.

**4. PROCEDURE**

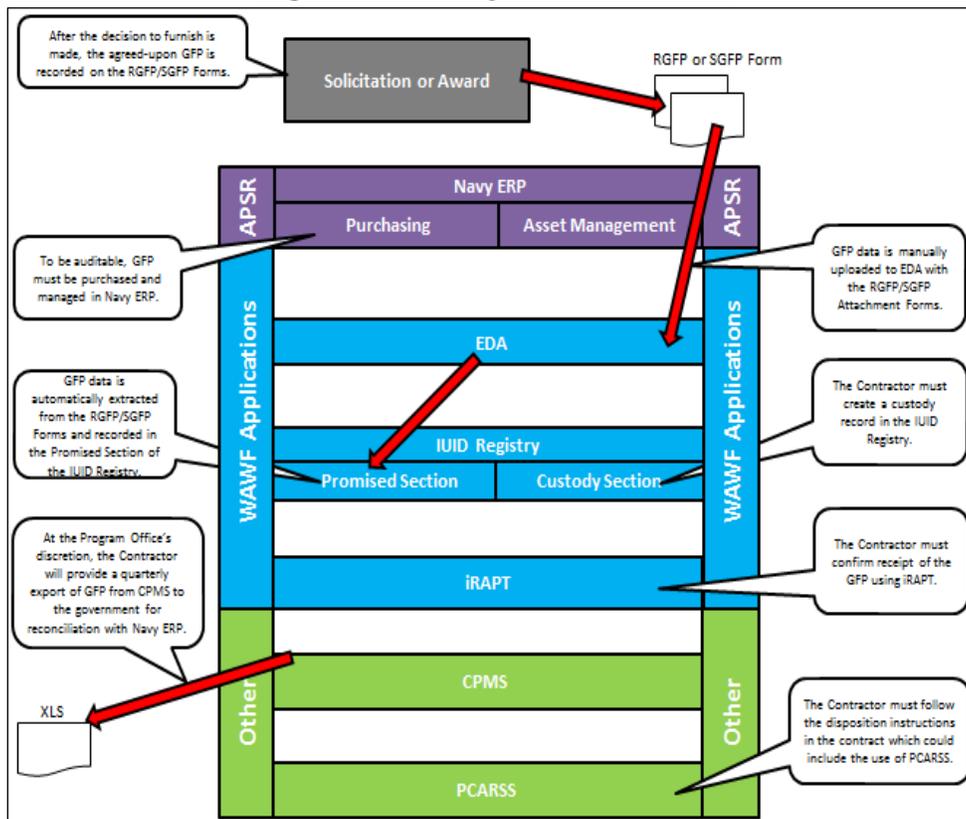
**4.1 GFP Relevant Systems**

There are various systems that are used to manage GFP throughout its lifecycle. The following sections provide a summary of the systems that are relevant to GFP, as well as references to tools that will assist in using each system. The [Responsibilities](#) section provides further detail on the roles & responsibilities. System access guides can be found in the [Toolbox](#) section at the end of this document. Figure 6 below provides a high level overview of systems relevant to GFP. It is the responsibility of Contracts, the Program



Executive Offices (PEOs), and the Program Managers (PMs) to coordinate which government and contractor employees gain access to the GFP-related systems listed below

Figure 6: GFP System Overview



Sections 4.1 through 4.1.5 below summarize the GFP-related systems shown in Figure 6 above.

4.1.1. Electronic Document Access (EDA)

EDA is an application within the Wide Area Workflow (WAWF) e-Business Suite. EDA is used as the repository where contract documentation is stored. This includes the following documents:

1. Contracts
2. Modifications, task orders, and delivery orders
3. RGFP/SGFP Attachment form(s)
4. Potential Financial Improvement and Audit Readiness (FIAR) Key Supporting Documents (KSDs), e.g. Determination to Provide GFP

4.1.2. Item Unique Identification (IUID) Registry

The IUID Registry is an application within the Wide Area Workflow (WAWF) e-Business Suite. The IUID Registry stores GFP asset data into two sections: the Promised GFP Section and the Custody Record Section.

1. IUID Registry: Promised GFP Section
  - i. GFP asset data is transferred to the Promised GFP Section of the IUID Registry by uploading the GFP Attachment Forms to EDA. These are not GFP custody records. Promised GFP asset data do not transfer over to the Custody Section of the IUID Registry.
2. IUID Registry: Custody Record Section



- i. The contractor establishes and reports to the IUID Registry the information required by FAR clause [52.245-1](#) in accordance with prescribed data submission procedures. The contractor is required to update the IUID Registry for changes in status, mark, custody, condition code (for reparable only), or disposition of items in accordance with DFARS [252.211-7007](#). When the Contractor performs receipt of a property transfer through the iRAPT application – which is listed below in section [4.1.3](#) – the custody record is updated.

**NOTE:** The IUID Registry is not a designated Accountable Property System of Record (APSR). See section [4.1.4](#) for more information regarding SPAWAR’s APSR.

**4.1.3. Invoicing, Receipt, Acceptance, and Property Transfer (iRAPT)**

iRAPT is an application within the [Wide Area Workflow \(WAWF\) e-Business Suite](#). iRAPT is used as the interface where government agencies and contractors transfer property between each other, in one of the following scenarios:

- 1. DoD to Contractor
- 2. Contractor to DoD
- 3. DoD to DoD
- 4. Contractor to Contractor

**4.1.4. Accountable Property System of Record (APSR)**

The “[Approval Requirements for Accountable Property Systems of Record](#)” memorandum dated 14 APR 2014 instructs DON Commands to designate an approved APSR for Plant, Property, & Equipment (PP&E). SPAWAR has designated Navy Enterprise Resource Planning (ERP) system as the APSR. All GFP must be managed in Navy ERP. It is the Accountable Property Officer’s (APO’s) responsibility to manage GFP assets in Navy ERP.

**4.1.5. Contractor Property Management System (CPMS)**

Per FAR [52.245-1](#), contractors must use an approved CPMS to manage their GFP. The asset records from the CPMS will be reconciled to the ASPR on a quarterly basis to comply with FIAR asset management requirements.

Figure 5 in the [Responsibilities](#) section above provides further guidance on the roles & responsibilities for each organization, which will help make the determination of who will need to gain access to each of the GFP-related systems. System access guides can be found in the [Toolbox](#) section at the end of this document.

**5. APPROVALS**

**5.1 Decision to Provide GFP**

Per the Procedures, Guidance, and Information (PGI) [245.103-70](#), the following conditions must be met to provide GFP to a contractor:

- a) The requiring activity (project or program manager, or purchase request generator), as part of its responsibility for acquisition planning (FAR part 7, Acquisition Planning), is the decision point as to whether or not to furnish property to contractors. The basis for any decision to provide Government property shall be documented by the requiring activity and provided to the contracting officer. Such documentation is not required when contractors are furnished property for repair, modification, or overhaul under a contract.
- b) Prior to providing GFP to the contractor, the Contracting Officer (KO) will ensure that each of the following four requirements listed in FAR [45.102](#) are met and documented in the contracting file:
  - i. Element 1: In the Government’s Best Interest: Discussion should be specific, factual, and where necessary, address actual or projected dollars and



- percentages. Merely selecting one or two objectives supported by a general, perfunctory discussion does not address this element satisfactorily.
  - ii. Element 2: Overall Benefit: Demonstrate that the overall benefit to the acquisition significantly outweighs the increased cost of administration, including property disposal.
  - iii. Element 3: Government Assumption of Risk: Demonstrate that providing the property does not substantially increase the Government's risk.
  - iv. Element 4: Government Requirements Cannot Otherwise Be Met: Document why the furnishing of Government property is critical and significant to meeting acquisition plan objectives.
- c) The written determination that the four elements listed above have been satisfied must be part of the official contract file. SPAWAR HQ utilizes a Memorandum to the File (MTF) template for this purpose, which can be found in the [Toolbox](#) section at the end of this document.

## 6. TOOLBOX

### 6.1 DoD References

#### 6.1.1. Contract Regulations

1. Required FAR Clauses
  - i. FAR [52.245-1](#): Government Property (w/Alternative I or II)
  - ii. FAR [52.245-9](#): Use & Charges
2. Required DFARS Clauses
  - i. DFARS [252.245-7001](#): Tagging, Labeling & Marking of GFP
  - ii. DFARS [252.245-7002](#): Reporting Loss of GFP
  - iii. DFARS [252.245-7003](#): Contractor Property Management System
  - iv. DFARS [252.245-7004](#): Reporting Reutilization & Disposal
  - v. DFARS [252.211-7007](#): Reporting of GFP
3. Situational Required Clauses
  - i. FAR [52.245-2](#): Government Property Installation Operation Services
  - ii. DFARS [252.245-7000](#): Mapping, Charting & Geodesy Property

#### 6.1.2. Defense Acquisition University (DAU)

1. [CLM037: Physical Inventories](#)
2. [CLM039: Foundations of Government Property](#)
3. [CLM040: Proper Financial Accounting Treatments for Military Equipment](#)
4. [CLM047: Fiscal and Physical Accountability and Management of DoD Equipment](#)
5. [CLM048: Audit Readiness Requirements for DoD Equipment](#)
6. [CLC051: Managing Government Furnished Property in the Possession of Contractors](#)
7. [CLE040: Marking for Item Unique Identification \(IUID\)](#)
8. [CLM200: Item Unique Identification \(IUID\)](#)
9. [SPAWAR DAU Instruction Guide \(HQ Property Wiki\)](#)

#### 6.1.3. DoD Tools

1. [DoD Procurement Toolbox](#)

### 6.2 DON Memorandums

1. ["Government Furnished Property Compliance with Regulatory Policy Requirements" Memorandum 4340](#)
2. ["Designation of Navy Enterprise Resource Planning as An Official Accountable Property System of Record"](#)



6.3 SPAWAR References

6.3.1. CMPG GFP References

1. [1.1.3 Conduct Market Research](#)
2. [1.2.1 Conduct Pre-PPSM](#)
3. [1.2.4 Develop Acquisition Strategy \(AS\)](#)
4. [1.2.5 Develop Acquisition Plan \(AP\)](#)
5. [1.2.6 Hold Procurement Planning and Strategy Meeting \(PPSM\)](#)
6. [2.2.1 Develop Solicitation](#)
7. [2.2.3 Amend Solicitation Document](#)
8. [3.1.1 Begin Source Selection](#)
9. [4.2.3 Issue Award](#)
10. [5.2.1 Hold Postaward Conference](#)
11. [5.3.1.1 Modifications](#)
12. [5.4.1 Verify Physical Completion](#)

6.3.2. SPAWAR GFP Documents

1. (Under Development)

6.3.3. SPAWAR GFP References

1. [SPAWAR EDA Access Desktop Guide](#)
2. [SPAWAR IUID Access Desktop Guide](#)
3. [SPAWAR GFP Clause Validation Desktop Guide](#)
4. SPAWAR GFE ERP Business Rules Guide (Under Development)
5. SPAWAR iRAPT Access Desktop Guide (Under Development)
6. SPAWAR iRAPT Transfer Validation Desktop Guide (Under Development)

6.3.4. SPAWAR Property References

1. [SPAWAR Property Manual](#)
2. [SPAWAR GE Asset Creation Template \(ACT\)](#)

7. CHANGE HISTORY

Updated material is highlighted by *purple text* and an Alert/New  icon.

Date	Description of Changes
April 2016	Information updated by SPAWAR Property Support team.
August 2014	Content converted to new SCPPM format. Removed outdated NMCARS 5245.106 reference and replaced with NMCAR 5245.103-71; updated Toolbox references.
April 2014	Added approval reminder before transferring property between contracts.